Alberta
weekly economic review

February 10, 2012

2011 Census - Population

Alberta leads all provinces in population growth...

For the third straight Census, Alberta had the strongest population growth among provinces. On May 10, 2011, Alberta registered a population of 3,645,257, which translates into growth of 10.8% from the previous 2006 Census, and nearly double the Canadian average population growth of 5.9%.

Alberta's strong population growth over the last decades, combined with solid gains in the other western provinces has led to a historical shift in Canada's population. The western provinces of Manitoba, Saskatchewan, Alberta, and British Columbia now account for a higher proportion (30.7%) of the Canadian population than Quebec and the Atlantic provinces combined (30.6%).

Calgary and Edmonton topped the charts as Canada's fastest growing major centres (Census Metropolitan Areas), growing by 12.6% and 12.1% respectively over the latest five year census period. Moreover, Alberta's mid-sized centres (Census Agglomerations) also reflected the brisk pace of population growth as eight of the top ten fastest growing mid-sized cities were located in Alberta. The vast majority of Alberta's population (83.1%) lives in an urban centre, making the province one of the most urban in Canada, behind only British Columbia (86.2%) and Ontario (85.9%).

Housing Starts

Alberta housing starts lose some steam, but still tracking above 2011 levels...

Alberta housing starts declined for the third straight month, dropping by 10.2% in January to 25,400 units. Despite the drop, new home construction started 2012 much stronger than in the early part of last year, with starts up 31.6% over January 2011 levels. Nationally, housing starts came in at 197,900, slightly lower (-1.0%) than the previous month, but up 18.3% over January 2011.

Building Permits

Value of building permits ends 2011 on a high...

In the final month of 2011, the value of building permits rose to its highest reading since February of last year. Permits, an indicator of future construction activity, hit $1.3 billion in December, up 31.5% from the previous month and 50.6% ahead of December 2010 levels. The elevated December reading caps off a much stronger year for permits compared to 2010. In 2011, the value of building permits increased on average by 11.2% over 2010, the second consecutive annual increase. The gains in 2011 were largely concentrated in industrial and commercial building permits, which more than offset a second straight annual decline in institutional and government permits.

New House Price Index

Alberta new house prices remain steady in 2011...

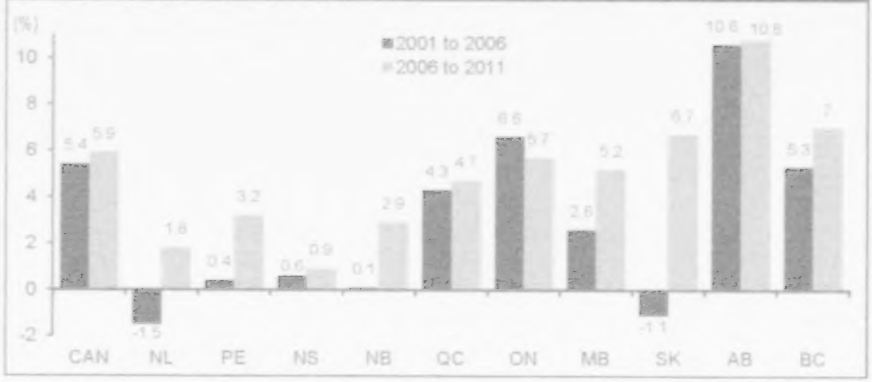
New home prices in Alberta continued to remain flat through the remainder of 2011. In December, Alberta new house prices were largely unchanged (+0.1%) from November and up a modest 0.5% from December 2010. On average in 2011, the purchase price for a new home in Alberta stayed relatively flat (+0.4%) from the previous year, reflecting a 2.0% increase in the cost of the land and a 0.5% decline in the cost of the house portion. The results were split for the major cities: Calgary house prices declined 0.1% in 2011 while Edmonton prices increased 0.9%.

International Merchandise Trade

Alberta exports barge ahead in December...

Exports surged 8.6% in December to $8.7 billion, led by higher shipments of energy products and machinery and equipment. The province finished the final month of 2011 with exports 14.5% higher than December 2010 levels, representing the 24th straight month of a year-over-year increases. 2011 was a strong year for Alberta exporters, with international shipments soaring 18.3% above 2010 levels, due mainly to impressive gains in energy, industrial goods and agricultural products.

Census Population Growth



Closing Prices	February 3, 2012	February 9, 2012	2011–12 Fiscal YTD
Canadian Dollar ($US/$CAN)	100.55	100.59	100.75
WTI Oil ($US/bbl)	$97.84	$99.84	$95.60
NYMEX Natural Gas ($US/MMBtu)	$2.50	$2.48	$3.81

Alberta Economic Indicators[1]

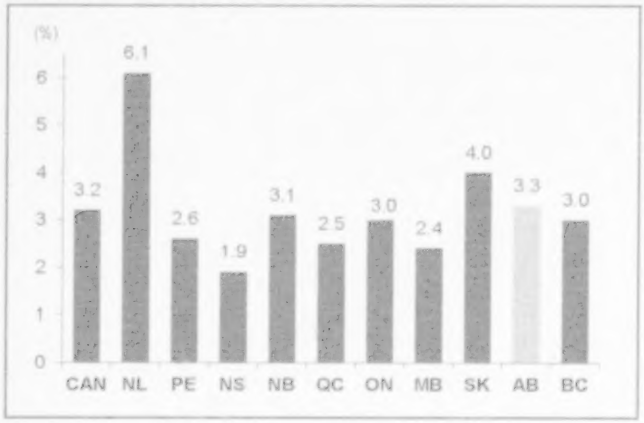
Population	2010	2011	2012YTD	Aug	Sep	Oct	Nov	Dec	Jan
Population ('000s)	3,721	3,779	3,799			3,790			
% change	1.3	1.6	1.7			1.7			
Net Interprovincial Migration[2] ('000)	-2,183	13,660	2,136			1,139			
Net International Migration[2] ('000)	21,530	14,093	7,560			7,560			
Net Non-permanent Residents[2] ('000)	77	7,999	2,295			2,295			
Labour Market									
Employment ('000s)	2,017	2,094	2,135.1	2,111	2,119	2,136	2,140	2,103	2,105
% change	0.4	3.8	3.9	4.3	4.1	4.4	4.9	4.0	3.9
Unemployment Rate (%)	6.5	5.6	4.8	5.6	5.3	5.1	5.0	4.9	4.8
Participation Rate (%)	72.9	73.7	74.1	74.2	74.2	74.1	74.2	74.0	74.1
Average Weekly Earnings ($)	993	1038*		1,044	1,050	1,050	1,053		
% change	4.5	4.7*		4.3	4.5	4.5	5.0		
Price Indices									
Consumer Price Index	1.0	2.4		2.1	2.6	2.4	2.2	2.3	
Excluding food and energy	0.8	0.8		0.6	1.4	1.1	1.5	1.3	
New Res. Building Cons. Price Index[3]	0.1	3.2*			3.3				
Farm Product Price Index	20.9	16.2*		11.4	13.6	11.3	8.5		
Crops	-14.5	16.7*		9	9.5	2.8	3.5		
Livestock	5.7	16.9*		15.4	14.8	16.3	16.9		
Household Sector									
NEW Housing Starts (CMHC) ('000s)	20.0	25.5	25.4	31.1	24.4	30.0	29.9	28.3	25.4
% change	34.5	5.3	31.6	34.1	9.6	25.0	44.7	37.4	31.6
NEW Housing Price Index[4]	0.5	0.4		0.2	0.0	0.7	0.4	0.5	
Edmonton	0.8	0.9		0.3	0.6	1.1	1.1	1.2	
Calgary	1.7	0.1		0.5	0.5	0.3	0.2	0.1	
MLS Average Resale Prices ($ 000's)	350.9	355.8		355.4	356.1	360.7	364.5	366.5	
% change	3.1	1.0		2.1	2.6	2.9	1.5	1.6	
Edmonton ($ 000's)	326.5	325.7		323.3	328.7	333.2	330.6	330.6	
% change	2.3	-0.9		-1.6	2.1	0.1	1.1	0.7	
Calgary ($ 000's)	397.4	402.8		403.0	399.4	402.7	401.1	401.7	
% change	3.4	0.9		3.1	0.2	1.5	0.2	1.7	
Retail Sales	6.0	7.0*		7.2	8.0	10.5	8.3		
New Motor Vehicle Sales	9.3	8.9*		6.0	6.0	19.3	12.9		
Consumer Bankruptcies (year)	8,160	5,968*		505	525	515			
% change	18.4	-14.5*		-7.3	-26.3	-26.4			
Business Sector									
Rig Drilling (level)	207	285	401	325	346	335	330	309	401
% change	61.3	37.9	7.8	47.1	56.5	38.7	19.4	25.6	7.8
NEW Goods Exports (current basis)	12.4	18.3		36.5	27.6	21.3	40.9	14.5	
Energy	17.2	19.2		30.0	27.2	25.4	33.6	15.3	
Agriculture	-14.4	21.4		16.4	41.5	96.5	31.7	30.3	
Total Farm Cash Receipts (quarterly)	-3.9	15.4*			15.0				
Manufacturing Shipments	11.0	17.9*		18.6	22.6	16.8	24.0		
Wholesale Trade	10.8	14.7*		14.2	12.5	11.1	16.0		
NEW Building Permits	2.1	11.3		39.4	29.6	12.7	14.6	58.6	
Residential	24.7	5.0		29.0	33.2	21.4	36.1	37.8	
Non-residential	19.0	-20.1		53.0	24.6	1.2	7.1	65.6	
Business Starting (net level)	378	267*		26	23	30			
% change	-6.7	-27.9*		-13.3	-23.4	-25.0			

YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year.
*Unless otherwise indicated, all figures are year over year percentage change.
[1] Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).
[2] Quarterly average of Calgary and Edmonton.
[3] Average of Calgary and Edmonton.
[4] Represents 2011 year to date.

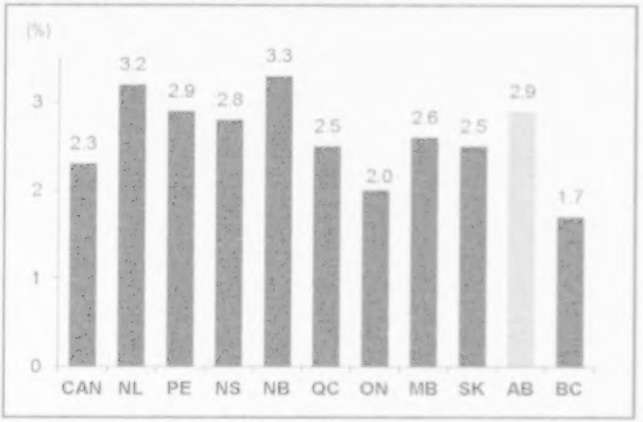
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rig Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

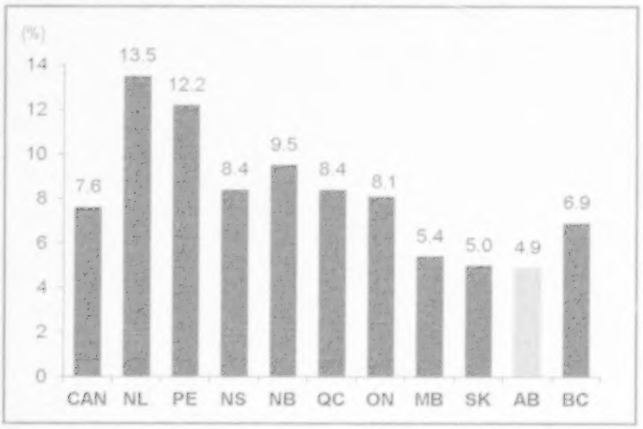
Real GDP Growth by Province
(2010, year-over-year growth)



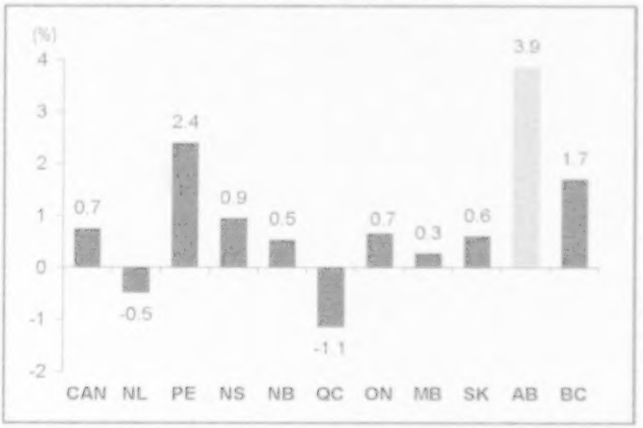
CPI Inflation
(December 2011, year-over-year growth)



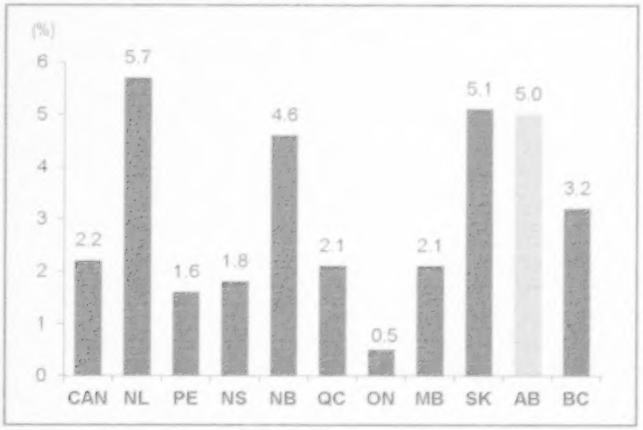
Unemployment Rate
(January 2012)



Employment
(January 2012, year-over-year growth)



Average Weekly earnings
(November 2011, year-over-year growth)



Housing Starts
(January 2012, SAAR, year-over-year growth)